

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTH NELSON WATER)	
DISTRICT TO IMPLEMENT ALTERNATIVE)	CASE NO.
EXTENSION POLICY)	90-261

O R D E R

By letter received at the Commission on August 1, 1990, North Nelson Water District ("North Nelson") requested Commission authorization to implement the water extension policy attached hereto as Exhibit A. This alternative extension policy was approved by the Commission pursuant to 807 KAR 5:066, Section 12(4), in November of 1987.

The Commission finds that North Nelson's request for permission to use the alternative extension policy should be granted and IT IS SO ORDERED. Within 30 days of the date of this Order, North Nelson shall file revised tariff sheets with the Commission setting out the extension policy approved herein.

Done at Frankfort, Kentucky, this 17th day of September, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

**NEW EXTENSION POLICY
FOR WATER DISTRICTS (AND ASSOCIATIONS)**

The District shall determine the total cost of the proposed water main extension (exclusive of the meter connections) and the total length of the extension. The District shall pay that portion of the cost of the water main extension equal to 50 feet for each applicant for service. That part of the cost not covered by the District's portion shall be contributed equally by those applicants desiring service on the main extension. Each applicant will also be required to pay the District's approved "Tap-on-fee" for a meter connection to the main extension.

For a period of five years after the original construction of the main extension each additional customer directly connected to each particular extension will be required to contribute to the cost of that water main extension based on a recomputation of both the District's portion of the total cost and each customer's contribution as set out above. The District must refund to those customers that have previously contributed to the cost of each main extension itself that amount necessary to reduce their contribution to the currently calculated amount for each customer connected to that extension. All customers directly connected to each main extension for a five-year period after it is placed in service are to contribute equally to cost of construction of the water main extension itself. In addition each customer must pay the approved "Tap-on-fee" applicable at the time of their application for the meter connection. The "Tap-on-fee" is not part of the refundable cost of the extension and may be changed during the refund period. After the five-year refund period expires, any additional customer applying for service on each main extension must be connected for the amount of the approved "Tap-on-fee" only. Also, after the five-year refund period expires, the District will be required to make refunds for an additional five-year period in accordance with 807 KAR 5:066 Section 12(b).

NOTE: The Commission believes that the initial five-year period contained in the above policy is appropriate; however, for good reason the PSC will consider either longer or shorter periods if proposed by the District.